



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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August 21, 2003

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1) Account Number - 4671499	\$275,000
(2) Account Number - 9136030	\$210,014
(3) Account Number - 9136099	\$305,970
(4) Account Number - 5064739	\$225,000
(5) Account Number - 8254541	\$ 4,415

PURPOSE OF THE RECOMMENDED ACTION:

The compromise offers of settlement for patient accounts (1) - (4) are recommended because the amounts are the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations. The compromise offer of settlement for patient account (5) is recommended because the compromise offer represent the maximum amount the Department will be able to receive under the tort settlement involved in this case, and the patient has no other financial means to pay the full amount of charges.

JUSTIFICATION:

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

FISCAL IMPACT:

This will expedite the County's recovery of partial payments totaling approximately \$1,020,399 from four patients' insurance (Commercial or HMO) companies, and from one patient's proceeds due from third-party liability settlement, for the medical care provided.

FINANCING:

Not applicable.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when in the best interest of the County. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

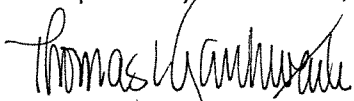
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on these accounts will help DHS to meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:lg (R:\Astecker\Compromise Brd LtrSeptember03\Compromise082103.WPD)

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: August 21, 2003

Total Charges	\$425,633	Account Number	4671499
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$425,633	Date of Service	05/26/2002-06/25/2002
Compromise Amount Offered	\$275,000	% Of Settlement	65% of Gross Charges
Amount to be Written Off	\$150,633	Facility	MLK/Drew Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: August 21, 2003

Total Charges	\$318,203	Account Number	9136030
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$318,203	Date of Service	05/20/03-06/13/03
Compromise Amount Offered	\$210,014	% Of Settlement	66% of Gross Charges
Amount to be Written Off	\$108,189	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: August 21, 2003

Total Charges	\$463,591	Account Number	9136099
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$463,591	Date of Service	05/20/2003-06/22/2003
Compromise Amount Offered	\$305,970	% Of Settlement	66% of Gross Charges
Amount to be Written Off	\$157,621	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: August 21, 2003

Total Charges	\$301,511	Account Number	5064739
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$301,511	Date of Service	10/27/2002-11/19/2002
Compromise Amount Offered	\$225,000	% Of Settlement	74% of Gross Charges
Amount to be Written Off	\$76,511	Facility	H/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: August 21, 2003

Total Charges	\$43,470	Account Number	8736789
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$43,470	Date of Service	02/04/03-02/09/03
Compromise Amount Offered	\$4,415	Facility	LAC+USC Medical Center
Amount to be Written Off	\$39,055		

JUSTIFICATION

This patient was involved in an automobile versus bicycle accident. As a result of this incident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$43,470 for medical services rendered.

The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees and cost	\$ 5,314	\$5,314	35%
LAC+USC	43,470	4,415	29%
Other Medical Liens	867	867	7%
Net to Patient		\$4,404	29%
Total	\$49,888	\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.